

Report on the Sixth Agricultural Credit Conference

Hotel Magellan ☉ Cebu City

November 21, 22 & 23, 1968



Theme: "Lending Activities of Rural Banks — In Retrospect"





CONFERENCE

NEWSLETTE

published by the Department of Rural Banks, Central Bank of the Philippines.

Number 2

DIAMOND TOWER, CEBU CITY

Saturday, Jan. 11, 1969

CONFERENCE WINDS UP AFFAIRS TODAY

The Sixth Agricultural Credit Conference winds up its 3-day sked of activities today. A plenary session will take place at the Diamond Tower this morning where a summary report and resolutions approved during the conference will be presented by each workshop chairman.

In the afternoon, the participants will make a field trip to the San Miguel Corporation in Mandaue.

WORKSHOP ACTIVITIES

Workshop I convened at 9:30 a.m. at the Dragon Hall of the Diamond Tower with more than 130 participants attending. The group deliberated on - Appraisal of Ordinary Agricultural Lending of Rural Banks. Lively discussions ensued on various matters such as selling of common stocks without CB permission, lending from other institutions the security of which is put up by the stockholders of the rural bank, bank runs, counterpart, penalty on rediscounted past due notes, interlocking directorate, and collection of interest in advance as practiced by some rural banks.

Workshop I passed 7 resolutions.

Holding session at the Express Hall of the Diamond Tower, Workshop II made a review of certain policies and rules and regulations governing the operations of the Farm Mechanization Program. Some 100 rural bankers participated in the workshop which discussed problems concerning rural banks, borrowers, the Central Bank and dealers of farm machineries. Taken up were such matters as practicability of the farm mechanization program under land reform, collateral requirements and availability of funds.

Workshop II passed one resolution.

Workshop III convened at the Dragon Hall. Taken up were matters related to evaluation of the supervised credit program for short-term agricultural lending of rural banks. This group numbered some 80 participants.

Workshop III passed 9 resolutions.

Held at Express Hall, Workshop IV had for its topic "Analysis of special arrangements of rural banks with government trading and financing institutions with the aim in view to determining the effectiveness of special arrangements of rural banks with government trading and financing institutions such as the RCA. It also deliberated lengthily on the proposed financing arrangement with NACIDA for cottage and small-scale industries and the agricultural and guarantee agreement between the Agricultural Development of Rizal and the Rizal Federation of Rural Banks for the granting of financial assistance to farmers of Rizal Province.

Workshop IV passed 6 resolutions

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The panel in the TV interview was composed of CB Deputy Gov. Amado R. Briñas, CB-DRB Dir. Francisco, CB-DFC Dir. Maceda and REAP Proxy Arnaldo.

RB SPECIAL FINANCING PROGRAMS REGISTER GAINS

Total cost in financing the acquisition of farm machineries and accessories and the development of small irrigation system in the form of loan releases channeled to some 2,449 farmer-end-users thru the lending facilities of 141 rural banks amounted to P35.7 million as of November 30, 1968 according to Director Honesto O. Francisco of the CB Department of Rural Banks.

Participating in this special financing scheme are the Central Bank which released P19.6 million or about 97% of the \$5 million credit line with the World Bank (IBRD), in the form of special time deposits in rural banks qualified under the program; AGLF - P8.8 million; rural banks which contributed P1.8 million; former-borrowers who participated in the amount of P5 million and dealers and others who put up P.33 million.

Aggregate net releases of P19.6 million under the CB-IBRD Fund constituted around 55.12% of the total financing cost. Of this amount, P17.2 million or 87.59% were utilized by farmers for farm mechanization while loans directed to finance poultry, fish culture and the development of small irrigation system represented 11.28%.

Utilization of AGLF

As of November 30, 1968 total contributions to the Agricultural Guarantee and Loan Fund (AGLF) totalled P29 million with P5 million from NEC-USAID, P4 million from RCPCC, and P10 million each from PNB-SSS and GSIS.

Gross releases to rural banks in the form of special time deposits as loanable funds for specific essential agricultural projects under a supervised credit program aggregated P35.5 million. Of this amount, P21.39 million or 62% was released for short-term production loans; P1.4 million or 4% for short-term commodity loans; P12 million or 34% for medium and long-term loans under the CB-IBRD Farm Mechanization Program for the Rural Banking System.

Of the total gross releases of P35.5 million, P26.3 million were made to 104 participating rural banks in Priority I areas and around P9.2 million were released to 62 rural banks in Priority II areas.

SOCIALS

Luncheon today will be at the Diamond Tower with the Rural Bankers Association of the Philippines as host.

Scheduled for this afternoon is a field trip to the SMC Mandaue Brewery and Glass Plant where the San Miguel Corporation will tender a merienda for the rural bankers.

CONFERENCE SIDELIGHTS

The work rooms at the Diamond Tower for Workshops I and II in yesterday's morning session overflowed to capacity with lengthy discussion going on till about lunch time. In the afternoon session, however, many participants must have relaxed a little bit longer after the heavy meal.

The Dance sponsored by the Cebu Federation of Rural Bankers was a real a-go-go affair with the rural bankers literally in the groove. The coeds from the University of the Visayas lent color and gaiety to the evening's social.

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The Central Bank Dance Troupe made a remarkably "professional-like" performance during the CB presentation in last night's affair. The UV Dance Troupe performed remarkably as well.

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Kudos to Mr. Jose "Dodong" Gullan and the Cebu Federation of Rural Bankers for their much valued assistance that helped make the confab a successful and fruitful one. They even provided the participants with city guide brochures - a must for those who wanted to absorb the city's sights and sounds.

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and financing institutions

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6TH AGRICULTURAL CREDIT CONFERENCE
January 9-11, 1969
Cebu City

I N V O C A T I O N

We ask Your blessing, Almighty God, upon this gathering of rural bankers for their Sixth Agricultural Credit Conference. They have come here to consider the many problems and opportunities for growth that face the credit facilities of our economy. Because credit is so important for the economic development of our country and so much of the common good is at stake, we beg for Your very special assistance during these deliberations of ours.

Give us, O Lord, the light of Your wisdom in order that we may see clearly through the maze of problems that face our economy and work out sound solutions for the welfare of our people.

As You well know, the industrialization of many segments of our economy and the creation of more jobs for the mass of our unemployed is one of our vital needs. A progressive policy on the part of our bankers, moved by a spirit of social consciousness towards their neighbor, is therefore imperative to move us closer to this goal. Do enlighten their minds and strengthen their wills to tackle this and other problems that affect the common good. Give to them that vision for progress and that generosity of soul that will enable us to provide for every man and for the whole man. All these we ask through Jesus Christ Your Son. Amen.

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6TH AGRICULTURAL CREDIT CONFERENCE
January 9-11, 1969
Cebu City

W E L C O M E A D D R E S S

By Mr. Jose (DODONG) R. Gullas
President, Cebu Federation of
Rural Bankers

CUR MOST DISTINGUISHED GUEST OF HONOR, PRESIDENT MARCOS
THE FIRST LADY OF THE LAND, MRS. IMELDA MARCOS
GOVERNOR ESPINA, ARCHBISHOP ROSALES, GOVERNOR CALALANG
DIRECTOR FRANCISCO, MAYOR BORNES, PRESIDENT OF THE RURAL
BANKERS ASSOCIATION OF THE PHILIPPINES, MAYOR DURANO
MRS. ESPINA, SECRETARY OPLE, SECRETARY ERNIE MACEDA
GOVERNOR GAUDI VILORIA, OUR CHAIRMAN OF THE CONVENTION
MRS. ANDREA PADOLINA, OFFICERS AND DIRECTOR OF THE
RURAL BANKERS ASSOCIATION OF THE PHILIPPINES, CENTRAL
BANK OFFICIALS, DELEGATES, GUESTS, LADIES AND GENTLEMEN:

Today we have here dedicated men and women who have done much
helping our government in its program for rural economic development.
Indeed, we are very proud to host the 6th Agricultural Credit Con-
ference sponsored jointly by the Central Bank and the Rural Bankers
Association of the Philippines.

In behalf therefore of the officers and members of the Cebu
Federation of Rural Bankers, we welcome you. We hope and pray that
your short stay with us will be one of joy, satisfaction and a very
pleasant memory.

Again, welcome. May God bless you always!

I thank you.

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6TH AGRICULTURAL CREDIT CONFERENCE
January 9-11, 1969
Cebu City

W E L C O M E A D D R E S S

By Hon. Eulogio E. Borres
Acting Mayor, Cebu City

HIS EXCELLENCY PRESIDENT FERDINAND MARCOS, MRS. MARCOS. OFFICERS AND DELEGATES TO THE SIXTH AGRICULTURAL CREDIT CONFERENCE OF THE RURAL BANKERS ASSOCIATION OF THE PHILIPPINES AND THE CEBU FEDERATION OF RURAL BANKERS, LADIES AND GENTLEMEN:

It is with great pride and honor that I welcome you all to Cebu City. Perhaps, by sheer coincidence or by providential mandate that you have chosen Cebu as the site of your conference. Sheer coincidence because happily, the City of Cebu is presently engaged in preparing plans for agricultural development. And today when money is scarce, the lending activities of rural banks necessarily can ease the tightening financial situation of our people. Indeed this occasion is very timely. By providential mandate, I would say, because Cebu being the center of trade and commerce in the South necessarily must be the forum of discussions of issues that involve agricultural developments in the southern part of our country which is agricultural in nature.

This is therefore a memorable and historic event in my city. For having thought of holding this conference here the people of Cebu are doubly grateful to you.

As Mayor of this city and on my behalf, let me assure you that the doors of the Cebuano homes swing to and fro in welcoming you.

I THANK YOU.

6TH AGRICULTURAL CREDIT CONFERENCE
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W E L C O M E A D D R E S S

By Hon. Rene Espina
Governor of the Province of Cebu

YOUR EXCELLENCY, PRESIDENT MARCOS
THE FIRST LADY
MEMBERS OF THE CABINET, MY COLLEAGUES IN THE CITY AND PROVINCIAL
ADMINISTRATION, MSGR. ROSALES, DISTINGUISHED GUESTS,
LADIES AND GENTLEMEN:

Due to lack of time, allow me to be very brief. Throughout my life I have followed four principles, namely: Christian morality in private as well as public life; sincerity which, to me, is very important because, as a matter of fact, in a democracy sincerity is very important not only in so far as official actuations are concerned, but more especially among the citizens because this is a government of the people. A glaring example would be the problem of blue seal cigarettes. If no Filipino smokes blue seal cigarettes there would be no smuggling problem. Third, civic consciousness or our concern for our fellowmen; and lastly, confidence - confidence in our capacity as a people, confidence in the Filipino race, confidence in ourselves. This is not the confidence that is often said as the "Bahala na System." It is a confidence borne out of study, borne out of hard work, borne out of industry.

It is therefore in this spirit that I welcome you and I do hope that your conference will be a success.

Thank you very much.

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1/ Delivered extemporaneously.

6TH AGRICULTURAL CREDIT CONFERENCE
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W E L C O M E A D D R E S S

By Mr. Honesto O. Francisco
Director, Department of Rural Banks
Central Bank of the Philippines

Welcome to the Conference

Welcome to the 6th Agricultural Credit Conference for Rural Bankers. It is a genuine pleasure to officially welcome each and everyone of you to this Conference in behalf of the joint sponsors - The Central Bank of the Philippines, the Rural Bankers Association of the Philippines, and the Cebu Federation of Rural Bankers.

Since 1963, we have regularly sponsored these yearly Agricultural Credit Conferences, attended by rural bankers throughout the country, for the purpose of bringing out in the open discussions ways and means of improving agricultural credit within the framework of the rural banks' operations. The past 5 conferences have yielded concrete results by way of pinpointing common problems, and evolving effective solutions to these problems. It is our hope that this conference will be no less fruitful for the rural banker and the Rural Banking System as a whole.

Conference Theme

This year's conference has been designated as "Lending Activities of Rural Banks in Retrospect." Lending is a very elemental function of all banks. Banks have to lend out their funds in order to earn. In other words, it is the lending function which is the reason for being of banks, viewed from the profit-motivatic standpoint of any business enterprise. Undeniably, this is just as true for any rural bank. Rural Banks have to make profits from their lending activities in order to survive as a healthy, going concern. However, there exists a fundamental difference in the lending activities of rural banks. Rural Banks were created by law primarily to "promote and expand the rural economy in an orderly and effective manner by providing the people of the rural communities with the means of facilitating and improving their productive activities, and to encourage cooperatives." Eventually therefore, the rural bank's function is to extend much needed financial assistance to the small farmers and entrepreneurs engaged in basically agricultural endeavors, to encourage mass savings and to channel these otherwise idle funds into financing for the agricultural sector, and through adequate financing to raise productivity levels. The profit margin so necessary for any business was built-in and almost automatically guaranteed by the many forms of exemptions, subsidies, preferential treatment and assistance extended to rural banks by the government and the Central Bank of the Philippines. We are confident that in the near future, the System will be big enough and effective enough to fulfill its primary objectives - that of providing adequate agricultural credit so that our small farmers, who comprise some 75% of our total population, need never ever resort to usurers and loan sharks for working capital requirements; so that these farmers may achieve higher and higher productivity levels through

Welcome address - Mr. Francisco

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the use of high-grade seedlings, fertilizers and farm machinery financed of course by rural banks.

Let me cite some figures - Since 1952, when the first rural bank was opened, up to mid-1968, rural banks have as a whole:

- granted loans aggregating \$2,077,851,000
- serviced 2,929,911 borrowers
- granted loans amounting to \$1,690,024,000 for agricultural purposes above, or 81% of all loans granted
- serviced 2,438,512 agricultural borrowers, or 83% of all borrowers.

There is no doubt that the lending activities of rural banks have assumed substantial proportions. There are at present 412 rural banks strategically located all over the country and the system is still growing. Properly directed, the Rural Banking System is a potent tool for the development of the rural economy. This is the reason why rural bankers have continuously strived to improve their operations.

The recently-achieved self-sufficiency in rice production is a classic example of the flexibility of rural banks in their functions. We are proud to have played a part in the government's rice self-sufficiency program and we hereby pledge our unstinted support for any government program for agricultural development to which we may be called upon to help in the future. We are equally proud of the day-to-day role the rural banks are playing in extending financial and technical assistance to farmers. While the results of these more hum-drum functions are not as evident now, they are equally significant.

But complacency is not one of our attributes. Not one are we to rest on our laurels, to glory in past achievements. The future looms larger and challenging. And much remains to be done. Improvements can and will be effected wherever necessary.

For the next three days, we will be assembled in the spirit of true brotherhood, united by common goals. We shall review the overall lending operations of rural banks, examine the weak and strong areas, identify and solve specific problems, discuss ways and means of further developing the lending activities of rural banks into a more effective instrument for raising agricultural productivity.

We have much to do, and I say: Go into it, fellow rural bankers!

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6TH AGRICULTURAL CREDIT CONFERENCE
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Speech of Mr. Cesar S. Arnaldo
President, Rural Bankers Association
of the Philippines

YOUR EXCELLENCY, FERDINAND E. MARCOS, MOST L VELY FIRST LADY - IMELDA R. MARCOS, DISTINGUISHED GUESTS, FELLOW RURAL BANKERS, LADIES AND GENTLEMEN:

First of all, my greetings to all of you, and welcome especially to our colleagues who have come from distant provinces, my sincere appreciation to the Cebu Rural Bankers for the efforts they have exerted to make this affair a success.

And of course, our sincerest thanks to His Excellency Ferdinand E. Marcos for honoring us with his presence and valued participation in our conference. When I first approached the President to invite him to this conference, he asked, "Why Cebu?" To which I replied, "That is one of the reasons Mr. President, why we are inviting you." He promised to come and he is now here with us.

Ladies and gentlemen, whether we are aware of it or not, we are living today in troubled times. And challenges abound all around us, demanding the best in all of us for survival, for durability, even for greatness again, the kind of greatness our people had shown in the past in crucial periods of our history.

Confronting us, for example, are the challenges of peace and order, graft and corruption, land reform, barrio uplift, the widening and brightening gap between the "haves" and "have-nots" in our society. This state of affairs is a challenge that cannot be ignored without peril to the nation.

No wonder then, Mr. President, you recalled earlier this week what you said in 1966 to the effect that we were sitting on "top of a social volcano" because, the conditions at the time were ripening for a revolution, and then and there, you warned us of "the danger" to the country which would explode if we did not do anything about it . . . if we did not defuse it."

In analyzing this situation, you gave us a clear and bold expression of your policy in meeting this challenge to defuse the explosive danger to the country:

"In rebuilding," you said, Mr. President, "it was essential to give priority to infrastructure, agriculture and education, all of which are at the core of any efforts to speed up progress. It was not only necessary to build the physical framework of a new nation, but it was necessary as well to change the spirit of that new nation."

With all due respect, may I, speaking on behalf of our association, say that we applaud this policy. Moreover, you have given priority, among others, to infrastructure which, in its wider meaning, includes not only structures like roads, bridges, harbors and airports, but also institutions which are highly socio-economic in nature like schools, hospitals and banks. All these, in fact, constitute the infrastructure or basic foundation of social and economic development.

The short history of sixteen years of rural banks of the Philippines attests to their effectiveness and potentialities in contributing not only to the social and economic development of the country, but also, and more importantly, to the restoration of the dignity and freedom of the common tao, Juan de la Cruz.

Thus, in providing a unique rural credit system for the small-town farmer, small industrialist or businessman, the rural banks have largely banished usury, that age-old bane of the poor provinciano. And in stimulating the productive capacities of the small farmer or industrialist, the rural banks have assisted in doing away with antiquated farming practices in favor of mechanization and modernization for large-scale production. The Philippine agricultural landscape has changed. The Filipino farmer can now think big. He can now walk the earth with a new sense of pride and dignity. In this sense, the rural banks have become, not just a financing institution, but an associated catalytic agent for change, for progress, for advancement. The rural banks are indeed a healthy sign of renewal, helping to introduce marked changes in rural living and rural uplift or betterment, helping to revivify the spirit of a new nation. This is in line with your concept of rebuilding the nation, Mr. President.

But the rural banks can do more, much more, if properly given the resources that they are entitled to under the rural banks law. Their role, for example, in putting an end to the perennial problem of rice shortage by helping to facilitate, at the grassroots level, the breakthrough in the production of miracle rice, is an outstanding evidence of the potentialities of rural banks in the rebuilding of a new nation. Other equally outstanding evidences, are their roles in your palay self-sufficiency program and in your RCA palay procurement and disposition set-ups, as well as their active participation in the CB:IBRD farm mechanization program.

All these performances, we humbly submit, are of direct benefit to the nation we are all serving.

Starting with the Rodriguez Rural Bank in Rizal on December 11, 1952, today almost seventeen years later, rural banks number 412, spread like a vast network throughout the Philippines, from as far north as Cagayan to as far south as Basilan. But much more needs to be done - and soon - if rural banks are to assist in "defusing" the danger confronting the country.

As you yourself envisioned, Mr. President, we would like to expand more rapidly so that we can operate a rural bank in each of the more than 1,400 municipalities in the Philippines, not in the year 2,000, but if possible, in the 1970's. This is a vision and a hope devoutly to be wished. The Rural Bankers Association of the Philippines stand committed to this expansion.

But, there are difficulties and frustrations in the way, which can be remedied for instance - by amending Republic Act 720 which is now pending in congress. We are also hoping for the early release of P7 million counter-part fund, which is intended as government subscription to preferred stocks of new and old rural banks in order to equalize private and government capitalization. The delay in its turnover is crippling to both new and old rural banks.

As regards to the rediscounting of notes, the Rural Bankers Association of the Philippines have addressed an open letter to you, Mr. President, dated January 7, 1969 and published the same day in the Manila Times. I shall not repeat the arguments therein, but in essence, the letter is appealing for the standardization of rediscounting guidelines. Since for most rural banks, the rediscounting of notes is an effective means of stretching their lending capacity for productive purposes, the liberalization and standardization of the guidelines becomes imperative.

In conclusion, Mr. President, the Rural Bankers Association of the Philippines feels highly honored by your presence which lends dignity and value to our conference. We wish to assure you that our association pledges its best to continue serving our compatriots in the rural areas in improving their productive and earning capacities, thereby raising their levels of living and well-being as new Filipinos.

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City - January 9, 10, & 11, 1969

WORKSHOP I - APPRAISAL OF ORDINARY AGRICULTURAL LENDING OF RURAL BANKS

OBJECTIVE: To improve and expand the ordinary agricultural lending activities of rural banks

A G E N D A

-- An Appraisal of the Ordinary Agricultural Lending of Rural Banks and their Problems on the following:

A. Sources of loanable funds

1. Private stockholders - Unpaid subscriptions
2. Government - R.A. 720; R.A. 2702 - additional counterpart funds and retirement of preferred stock
3. Borrowings
 - a) CB rediscounting - interest rates and penalties
 - b) Others
 - 1) Commercial banks or other credit institutions
 - 2) Stockholders
4. Deposits - unusual heavy withdrawals

B. Central Bank Supervision

1. Examination

a) Findings in the credit file

- 1) Simulated repayment
- 2) Splitting of loans
- 3) Defective collaterals

b) Findings in the field

- 1) Diversion of loan proceeds
- 2) Borrower unknown in the address stated
- 3) Total amount not received or none at all
- 4) Dummy borrowers

2. Technical Assistance (By C.E. Agriculture Divisions)

- a) Improved farm practices to increase farm income
- b) Assistance to Rural Bank on past due loans

II. Review of the causes of the high percentage of past due loans of rural banks and remedial measures relative thereto.

Causes

Remedies

- | | |
|---|--|
| 1. Loan processing and credit appraisal | 1. Thorough credit investigation (4 C's) and study of project |
| 2. Diversion of loan proceeds | 2. (a) Follow-up
(b) May be corrected by supervised credit with the employment of agriculturist |
| 3. Maturity period not coinciding with production | 3. Tie up maturity to production period |
| 4. Typhoon, flood, etc. | 4. Refinancing |
| 5. Emphasis on security rather than on repayment | 5. See Remedy 1, above. |
| 6. Absentee management | |

- III. Review of the extent of supervision by rural banks on their ordinary loans.
 - A. Ways and means presently practiced by rural banks
 - 1. Inspection or visits to projects financed by the loans
 - 2. Dissemination of technical literature and info.
 - B. Assistance extended to rural banks
 - 1. CB Agricultural technicians
 - 2. Other technicians, AFC, ROFCC & BPI
 - C. Needs of rural banks for more effective supervision
 - 1. Employment of agricultural technicians by rural banks
 - 2. Progress report on projects inspected.
- IV. Study of proposed supervised credit scheme for the coconut industry.

SIXTH AGRICULTURAL CREDIT CONFERENCE
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WORKSHOP II - REVIEW OF THE FARM MECHANIZATION PROGRAM

OBJECTIVE: To Determine the Effectiveness of
the Farm Mechanization Program and
its Expansion

A G E N D A

- I. Review of policies, rules and regulations governing the operations of the Farm Mechanization Program
 - A. Eligibility requirements
 - B. Collateral requirement
- II. Problems of the Farm Mechanization Program encountered by:
 - A. Rural Banks
 1. Release of loan proceeds by Central Bank
 2. Simplification of credit forms
 3. Report requirements
 - B. Borrowers
 1. Delay in the delivery of farm machinery already paid to dealer
 2. Servicing and spare parts of machinery
 3. Reconditioned machinery passed on as new by dealers of machinery
 - C. Central Bank
 1. Incomplete and defective loan documents
 2. Delayed submission of loan documents
 - D. Dealers of Farm Machinery
 1. Water rights requirement
- III. Review of the sufficiency of funds for Farm Mechanization
 1. Possibility of including more rural banks in the program
 2. Sufficiency of farm technicians
- IV. Future plans on Farm Mechanization Credit

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City - January 9, 10, & 11, 1969

WORKSHOP III - EVALUATION OF THE SUPERVISED CREDIT PROGRAM
FOR SHORT TERM AGRICULTURAL LENDING OF RURAL
BANKS

OBJECTIVE: To determine the Effectiveness of
the Supervised Credit Program

A G E N D A

- I. Review of policies, rules and regulations governing the operation
of the supervised credit program
 - A. Refinancing of AGLF loans
 - B. Repayment of special time deposits
- II. Problems on the Supervised Credit Program met by:
 - A. Rural Banks
 1. Extent of participation in supervision of AGLF loans by rural banks
 2. Attitude of borrowers and responsiveness of AGLF rules to their needs
 3. Increase of past due AGLF loans
 - B.. Borrowers
 1. Increase in cost of production
 2. Crop failure due to typhoon, rat infestation, etc.
 3. Storage, drying and marketing facilities
 - C. Central Bank Technicians
 1. Reasonableness of area covered in their supervision
 2. Problems in coordination and supervision over other government agricultural technicians
 3. Lack of transportation facilities
 - D. Technicians of Other Cooperating Agencies
 1. Lack of incentive
 2. Adequacy of time devoted to supervision of AGLF loans
 - E. Dealers of Fertilizers, etc.
- III. To evaluate the adequacy of the supervision by rural banks
management and agricultural credit technicians on their
loans
 - A. Causes for high percentage of past due loans
 - B. Adequacy of agricultural technicians involved in the project
 - C. Feasibility of Rural Banks hiring their own technician

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WORKSHOP IV - ANALYSIS OF SPECIAL ARRANGEMENTS OF RURAL BANKS WITH
GOVERNMENT TRADING AND FINANCING INSTITUTIONS

OBJECTIVE: To determine the Effectiveness of Special Arrangements of Rural Banks with Government Trading and Financing Institutions

A G E N D A

- I. To evaluate the special arrangement of rural banks with RCA
 - A. Allocation of RCA procurement funds
 1. Basis of allocation to different agent banks
 2. Problems encountered by agent rural banks in requesting procurement funds
 3. Unpaid palay deposits with RCA warehouses due to lack of RCA funds
 4. Refund of unused procurement funds
 - B. Delineation of the duties and responsibilities of RCA agent rural banks
 1. Review of the RCA-RB Agreement
 2. Territorial jurisdiction
 3. RCA agent rural banks shall not pry quedans issued by any RCA bonded warehouse, the total value of which exceed the authorized bonded or physical capacity of the warehouse; and shall see to it that the fire insurance coverage of the RCA bonded warehouse shall not be less than the total value of its palay deposits
 4. Preparation and submission of the "Abstract of Quedans Received and Paid" shall only be made where the quedans stated therein have been actually paid by agent rural banks
 5. Review of the responsibilities of RCA agent banks on milled and/or liquidated stocks covered by quedans
 - C. Effectiveness of RCA-RB arrangement on the:
 1. Farmers
 2. Administration's Palay Buying Program
 3. Agent rural banks
- II. To enlighten the participants on the proposed special financing arrangement with NACIDA for cottage and small industries
- III. The agricultural financing and guarantee agreement between the Agricultural Development Council of Rizal and the Rizal Federation of Rural Banks for the granting of financial assistance to farmers of Rizal Province
 1. Number of Rizal rural banks participating and extent of participation
 2. Comments of some participating rural banks

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WORKSHOP I - APPRAISAL OF ORDINARY AGRICULTURAL LENDING OF
RURAL BANKS

OBJECTIVE: To improve and expand the ordinary agricultural lending activities of rural banks

Chairman	Mr. Guillermo R. Narvaez President-Manager Rural Bank of Maragondon, Inc.
Co-Chairman	Mr. Angelo G. Cala Assistant Director Department of Rural Banks Central Bank of the Philippines
Vice-Chairman.	Mr. Horacio S. Velazco Vice-President-Manager Rural Bank of Tagaytay City, Inc.
Technical Consultant	Mr. Godofredo P. Reyes Administrator, PHILCOA
Resource Persons	Mr. Dominador B. Conde Technical Assistant Department of Rural Banks Central Bank of the Philippines
	- Mr. Vicente E. Yabyabin Chief, Accounting & Special Services Division Department of Rural Banks Central Bank of the Philippines
Stenographers	Miss Milagros M. Pery
	Mr. Esperanza C. Valeriano

DISCUSSION HIGHLIGHTS

The Workshop started at around 9:30 a.m. The Chairman of Group I introduced the members of the Workgroup to the body and then presented to the participants the outline in the Agenda of the Workshop. The queries/proposals as discussed are summarized as follows:

1. Procedures to be followed in selling shares of common stocks.

The sale of unissued stocks to new stockholders after obtaining the necessary waiver from old stockholders should be referred to the Central Bank for comments and notations prior to implementation thereof as required in the Rules and Regulations. Transfers of stock subscription to new stockholders should likewise be referred to the Central Bank.

2. Proper remedies to compel the subscribers to make payments within the agreed period of time.

Due notice should be sent or given to subscribers concerned. Although rural banks are organized/governed by special banking laws, the Corporation Law still applies with respect to the declaration of subscriptions as delinquent. Such law specifies the detailed procedures to be followed thereon.

3. Status of the proposal on the two-to-one ratio of government subscription to private capital investment in the rural bank.

The proposal is still pending in the Congressional Committee.

4. Procedure in giving out of counterpart capital

New rural banks are granted capital assistance to the maximum capital paid in common stock at the start of inauguration. Funds for this purpose are specifically set aside from available funds and the balance to be allotted proportionately to old banks. This procedure was adopted on the promise that newly organized banks need the funds more than the older banks.

5. Proposal was made that rural banks should not be required to provide for reserves for retirement of preferred shares, if its counterpart capital is not fully matched, and that dividends due on preferred shares should not be remitted to the Development Bank of the Phil. but used instead by the bank.

This is not possible since provision for reserves is mandatory not only as a means of retaining profits for the use of the Bank but also to adopt a definite policy/procedure in withdrawing government participation in the capital structure of the bank. It was likewise clarified that dividends due the government should be remitted thereto to be added to the revolving counterpart funds.

6. The question was raised if the Central Bank would permit the rural bank to mortgage acquired assets (in settlement of loan) to any government or private banking institutions in order to increase capitalization instead of having the said assets remain dormant in the vault of the rural bank.

Rural Banks cannot do this since such items were already the property of the rural bank. Moreover, the law requires that these assets should be disposed of within a certain period. However, a study should be made on how these assets could be utilized to guarantee loans of the bank for additional funds.

7. A question of imposing a 1% penalty rate to rediscounted past due notes was asked.

not

It is advisable to discuss matters referring to rediscounting since there is no representative of the Department of Loans and Credit. Moreover, such matters were the subjects of an "Open Letter to the President" which is now the object of an inquiry or study as directed.

8. A question was raised as to the possibility of merging weak banks with more profitable ones and/or allow interlocking directorates.
Stockholders of one bank are not prohibited from investing in another rural bank but are however, not allowed to be directors/officers of the second bank. The merger may not be allowable under existing laws. However, the matter of technical assistance between banks could be effected through an active Federation of Rural Banks on a provincial level.
9. Chances of implementation of Section 135 of the Revised Rules and Regulations, that is, acquisition of loans from other financing institutions security of which is offered by stockholders.

9.

A brief history of this section was presented to the group when the initial P10 million pesos could not be fully utilized as counterpart. The growth of the System compelled the suspension of this arrangement. Nonetheless, it is included in our Rules and Regulations so that there will be no need to adopt one when funds are available.

10. Measures undertaken to be adopted in case rural banks will be subjected to runs of savings deposits, similarly to what recently happened to savings banks.

The Central Bank would give its full support if such case happens to rural banks like what the Central Bank did to commercial or savings banks. Moreover, the body was informed that the Philippine Deposit Insurance Corporation which would insure deposits up to P10,000.00 would start operations in the near future.

11. Suggestion to tap the idle funds of religious bodies like the local parishes and other religious institutions.

The Catholic Church has its own depository banks but it is up to the management of rural banks to use their persuasion in their respective localities.

12. Proposed supervised credit scheme for coconut financing.

It was brought out that there is already a standing project study being conducted by the Department of Rural Banks and the Philippine Coconut Administration on the feasibility of undertaking a supervised credit for coconut financing. The body was informed that there is an amount of P90 million available in this respect but the problem is the utilization of this fund. In this connection the Administrator of the PHILCOA disclosed that it would be more practical if the funds for coconut financing would be channelled thru rural banks similar to the financing schemes for rice and corn production.

(SGD.) GUILLERMO R. NARVAEZ
Chairman

(SGD.) ANGELIC G. CALA
Co-Chairman

(SGD.) DOMINADOR B. CONDE
Resource Person

(SGD.) VICENTE E. YABYABIN
Resource Person

(SGD.) HORACIO S. ELAZCO
Vice-Chairman

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City, January 9, 10 & 11, 1969

WORKSHOP I - APPRAISAL OF ORDINARY AGRICULTURAL LENDING OF
RURAL BANKS

The following resolutions were adopted by Work Group I:

- Resolution No. 1 - Resolved, that the Rural Bankers Association of the Philippines make representations with the Central Bank of the Philippines to allow Rural Banks to withhold payment of dividends on preferred shares of stock and apply the same to the government subscriptions to the extent that the amount of dividends withheld will cover the unmatched private capital.
- Resolution No. 2 - Resolved, that proper representations be made by the RBAP to follow up and seek approval on the proposal by a member of Congress to increase the counterpart fund to twice the amount of common stock subscriptions.
- Resolution No. 3 - Resolved, that the RBAP be requested to make representations with the proper authorities of the Catholic Hierarchy and the Municipal Treasurers with the Department of Finance to make the Rural Banks as their depository in their respective areas.
- Resolution No. 4 - Resolved, that the Department of Rural Banks be requested to regulate the processing, and recommending to the Monetary Board for approval of new rural banks for the reason that this will hamper the growth of old and newly established rural banks and thus, curtailing to a certain extent the latter's privileges minimizing the amount that they should receive in the form of counterpart funds and rediscounting privileges which have gone down to certain ceilings.
- Resolution No. 5 - Resolved, that the RBAP make representations with the Department of Rural Banks to allow rural banks with sufficient amount of deposits to re-deposit their funds with other rural banks instead of making the deposits with commercial banks, as the rates of time deposit is 6½% interest for rural banks and only 6% in commercial banks, and also helping rural banks with lesser amount of deposits.
- Resolution No. 6 - Resolved, that the RBAP make representation with the Department of Rural Banks to formulate a refinancing scheme of past due loans on agricultural loans, if the past due loans were due to causes of force majeure like storms, floods, draughts and other calamities like the Taal and Mayon Volcano eruptions.
- Resolution No. 7 - Resolved, that the Central Bank and the RBAP convey its profound appreciation and sincere thanks to the Administrator of the Philippine Coconut Administration for his assistance and cooperation in enlightening rural banks of the feasibility of extending financial assistance to coconut producing areas through this credit institution.

(SGD.) GUILLERMO R. MARVAEZ
Chairman

(SGD.) ANGELO G. CABA
Co-Chairman

(SGD.) DOMINADOR B. CONDE
Resource Person

(SGD.) VICENTE M. YABYABIN
Resource Person

(SGD.) HORACIO S. VELAZCO
Vice-Chairman

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City - January 9, 10 & 11, 1969

WORKSHOP II - REVIEW OF THE FARM MECHANIZATION PROGRAM

OBJECTIVE: To determine the effectiveness of the
farm mechanization program and its
expansion

Chairman	Mrs. Araceli V. Fausto Manager, Rural Bank of Talavera, Inc.
Co-Chairman	Mrs. Andrea S. Padolina Acting Assistant Director Department of Rural Banks Central Bank of the Philippines
Vice-Chairman	Mr. Romeo C. Ramon President, Rural Bank of Bayombong, Inc.
Technical Consultant	Mr. Verden Dangilan Asst. Manager, Agricultural Department Development Bank of the Philippines
Resource Persons	Mr. Maximiano D. Marfa Technical Assistant Department of Rural Banks Central Bank of the Philippines
	Mr. Leon C. Mencia Chief, Special Agricultural Projects Division Central Bank of the Philippines
	Mr. Vicente Quintana Officer-in-Charge, Agricultural Credit and Cooperatives Institute
Stenographer	Francisco D. Herida Department of Rural Banks, CE

SESSION CALLED TO ORDER AT 9:45 A.M.

DISCUSSION HIGHLIGHTS

A participant questioned the practicality of the mechanization program for the reason that the government, under the Land Reform Law is splitting big estates into smaller ones, thus if a farmer owns one or two hectares, it is not practical to buy a tractor for his farm. He was informed by Mr. Marfa that under the rules, a farmer that farms not less than two hectares may still engage in farm mechanization by using small machines or tractors. The same view was expressed by Mr. Dangilan of the DBP. Mr. Cimenos, Asst. Director of the Department of Rural Banks, CBF, informed the body that aggressive farmers with 5 or 10 hectares, as in Pangasinan, bought tractors worth P40,000 financed by the rural banks and they leased the tractor to their neighbors, thus they were able to pay for the tractor in less than 3 year's time. He belied the fear of the participant that these small machines are good only for one year because it has been the experience of

small farmers that these tractors are still in working condition even after two years. He said that in Taiwan where landholdings average two hectares per farmer, farm mechanization is possible and there is no reason why it should not be possible in the Philippines. The same participant retorted that the suggestion of leasing the tractor to other neighboring farmers would bring difficulties in the relations between them because if a tractor breaks down while being used by the farmer who borrows it, the question of who will pay for its repair and maintenance will crop up. Another participant stood up and informed the body that he consulted a college to find out which tractor is best for farming and he was informed that the lightest tractors are recommended.

Another participant stood up and said that there might be a problem if the loan is covered by both real estate mortgage and chattel mortgage such that the total mortgage is greater than the loan and if the case for foreclosure is filed in court, there might be a deficiency judgment. She was informed that there is no problem regarding this matter because if the amount of the mortgage is bigger than the amount of the loan, then the bank is protected and if a foreclosure proceeding is held whatever excess proceeds in the sale is returned to the farmer so there is actually no deficiency judgment. Mrs. Padolina enlightened the delegates that there is really nothing wrong if the amount of the mortgage is bigger than the amount of the loan. However, Mrs. Fausto informed the same participant that the practice in her bank is to execute the mortgages (chattel and real estate) in the total amount that will only equal the loan.

Mr. Dangilan, the representative of the Development Bank of the Philippines revealed to the body that in cases like this, i.e., where the real estate mortgage is sufficient to cover the amount for the purchase of the machinery, the whole amount is just covered by the real estate mortgage. To this, Mr. Marfa replied that the procedure of the Central Bank is reverse because the first lien is on the machinery and the real estate mortgage is only an additional requirement of security to protect the rural bank.

Another participant brought up the question of insurance coverage of the machinery. He said that there is no need for the machinery to be insured inasmuch as the loan is usually covered by sufficient real estate collateral, thus the cost of loan to the farmer is lower because the farmer is the one who pays for the premium of the insurance, and it is hard to convince many borrowers as to the necessity of the insurance. The Co-Chairman informed him that this is for the protection of the rural bank. She also informed the participant that a conference was called by the Department of Rural Banks with representatives of insurance companies to determine whether the premium of insurance can be reduced.

A participant from Oroquieta asked whether a stockholder of the rural bank or any employee thereof is eligible to borrow from his rural bank to buy machinery for his farm. Mr. Marfa answered that while there is no prohibition in the law, it is the policy of the Central to discourage a stockholder of the bank from getting loans from his bank on moral and ethical grounds, the reason being that when he contributed his money to the capital of the rural bank, he was motivated by his desire to make it available for loan to other people. The funds should therefore be made available to other people in the community before he should make use of it. It was suggested in a lighter vein that such stockholder can borrow from other rural banks or from the Development Bank of the Philippines. Another delegate stood to clarify the matter as to whether it was legal or not for the stockholder to borrow from his own bank. He was informed that it is not illegal but the practice is being discouraged.

The co-chairman informed the body that the technical assistants of the Department of Rural Banks, CBP, are presently simplifying the various credit and report forms used in the CB:IBRD Financing Program in order to facilitate processing of applications for special time deposits.

At this juncture, a participant from Nueva Ecija inquired whether a check from the Central Bank should be returned to the CB if the dealer of machinery is not ready to deliver the machinery. He was told that the CB checks are sent to the rural bank on the premise that the bank needs it immediately and since the dealer cannot make the delivery of the machinery on time, then the check should be returned to the Central Bank within the required period of one month.

Another question was brought out -- where the machinery had been delivered and had broken down in the possession of the buyer even before actual payment therefor was made by the rural bank. He inquired whether he was right in withholding payment until the machinery is placed in working condition. After a lengthy discussion and an opinion was rendered by Prof. Ganes of UP it was ruled that the bank should pay the machine without regard to its condition after it had been used by the farmer.

A question was asked whether it is all right to finance farmers coming from far away places. He was told that the CB discourages the practice in view of specific cases discovered (which could not be revealed) tending to show its inadvisability, especially when the farmer is recommended to the rural bank by the machinery dealer.

A participant brought up the problem that some farmers are victimized by machinery dealers in that poor brand of machinery is bought such that the machine breaks down even before the machinery has been paid up. He suggested that there is a need for a source of information where farmers can consult as to a particular brand of machinery before buying the same because at present, the farmers buy machinery on the strength of the sales talk of the dealers.

Mr. Quintana of the ACOI gave the information that a study has been made by the International Rice and Research Institute as well as the College of Agriculture of Los Baños as to the merits and applicability of the different machineries although no report on this study has not been released, he knew however that no specific recommendation as to the particular brand of machinery is made in this report. The reason for the non-release of the report is that it will cause a decrease in the sales of some dealers.

At this point, on motion of Mr. Manasigan of Pili Rural Bank, Inc and Seconded by Mr. Soriano of Negros, a resolution was passed to request the Central Bank to form a body of technical men to make a study relative to the quality and applicability of the different farm machinery, and all pertinent matters that will guide the prospective buyers in the selection of machines adapted to their farm needs and said report should contain a recommendation of two or more machinery brands out of which the farmers can select and that said report should be furnished to each individual rural bank.

To this resolution, the vice-president of the Agricultural Machinery Dealers Association, speaking for the association, said that the AMDA has 22 members who were properly screened and are distributing some good machines; that while one machine is good in one place, it may not do well in another place; that the best approach to the problem is to form a panel to study the right equipment and their right application. A representative of the International Harvester also suggested that actual demonstration of the different machineries should be done. But some later on questioned the wisdom of this suggestion as demonstration for short periods may not actually reveal the true quality, usefulness and practicability of the machine. Mr. Quintana also made the observation that an analysis of the data

gathered by the ACCI shows that one of the reasons why farm machinery like tractors break down is the fact that the operators were not trained in their use. He suggested that before such loan is granted, the operator must be trained in the proper use and maintenance of the machine.

The problem of some dealers passing reconditioned machines as new was also brought out. The AMDA representative assured the Body that its members are not resorting to this practice and he intimated that such machines are not reconditioned machines but the ones repossessed by the rural bank and stored in the warehouse of the dealer. These machines are not sold as brand new but they are sold at a much lower price. He was informed that there was really a case discovered and if the AMDA is interested to know the details thereof, the Department of Rural Banks may be consulted. The Vice-President of the AMDA promised to do this.

Coming to the release of loans by the Department of Rural Banks, Mr. Menzias requested the rural bankers to submit loan applications with complete supporting papers, submit their reports on their past due items within the required period, to renew the insurance of the collaterals on time and to pay the current tax of the security. He then asked the delegates to submit the loan documents under Memorandum No. 66-29 to the Central Bank within one month after the release of the loan instead of 3 to 6 months.

A question was also asked whether a bank employee could also be a dealer of machinery. He was informed that as a matter of policy, the Central Bank is discouraging this. Mr. Dominguez expressed his opinion that there is nothing illegal in the practice. Mr. Marra, however, said that while there is really nothing illegal in it, the moral and ethical side of it should be taken into account.

As to water rights, no problem was encountered except for a complaint of a rural banker who said that he has already obtained water rights but upon petition of some residents he is now being sued in court so the same would be revoked for the reason that these farmers could not get enough water from the source. He warned that if this happens to small farmers, it would be disastrous to them financially and ultimately to the rural bank as the farmers cannot pay their loan. After discussing the matter thoroughly, it was observed that the matter may not be within the power of the Workshop to decide as it already involves a lawsuit. At this juncture, a delegate from Misamis Occidental suggested that for any other specific problems that rural banks may encounter, it would be best to consult the Department of Rural Banks directly.

The workshop adjourned at 11:50 a.m. there being no other problem to deliberate on.

(Sgd) ARACELI V. FAUSTO
Chairman

(Sgd) MAXIMIANO D. MARFA
Resource Person

(Sgd) LEON C. MENCIAS
Resource Person

(Sgd) VICENTE QUINTANA
Resource Person

6th AGRICULTURAL CREDIT CONFERENCE
January 9-11, 1969
Cebu City.

WORKSHOP II

RESOLUTION UNANIMOUSLY APPROVED

RESOLVED that a request be sent to the Central Bank of the Philippines to form a body of technical men to make a study relative to the quality and applicability of farm machineries in specific areas of the country including all pertinent matters that will guide the prospective farmer-buyer in the selection of machineries adapted to their needs, to recommend two or more brands of machineries best suited to the particular needs of the farmers, and to furnish a copy of said study to the individual rural banks.

(SGD) ARACELI V. FAUSTO
Chairman

(Sgd) ANDREA S. PADOLINA
Co-Chairman

(SGD) ROMEO C. RAMOS
Vice-Chairman

(SGD) VERDEN DANGILAN
Technical Consultant

(SGD) MAXIMIANO D. MARPA
Resource Person

(SGD) LEON C. MENCAS
Resource Person

(SGD) VICENTE QUINTANA
Resource Person

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City - January 9, 10 & 11, 1969

WORKSHOP III - EVALUATION OF THE SUPERVISED CREDIT
PROGRAM FOR SHORT TERM AGRICULTURAL
LENDING OF RURAL BANKS

OBJECTIVE: To determine the effectiveness of
the Supervised Credit Program

Chairman Mr. Patricio Y. Pineda
President
Concepcion Rural Bank, Inc.

Co-Chairman Mr. Mariano E. Gimenez
Assistant Director
Department of Rural Banks
Central Bank of the Philippines

Vice-Chairman Mr. Publio C. Dumaual
President-Manager
Rural Bank of Sta. Ignacia, Inc.

Technical Consultant . Mr. Wesley Haraldson
Director, United States Agency for
International Development

Resource Persons Mr. Claudio F. Huchero
Technical Assistant
Department of Rural Banks
Central Bank of the Philippines

Mr. Domingo G. Legaspi
Chief, Supervised Credit Division
Department of Rural Banks
Central Bank of the Philippines

Stenographers Mrs. Gregoria Esquerra
Mrs. Virginia C. Magana

The Chairman, Atty. Patricio Y. Pineda opened the Workshop at 2:00 o'clock p.m. by explaining the scope of the agenda and the objective of the Workshop. Mr. Wesley Haraldson, Director of the United States Agency for International Development, spoke briefly on the need for increased food production in view of the growing population in the Philippines. He said that to make our farmers more productive would require three elements, namely: credit, technology and incentive. He cited the fact that the Rural Banking System is the best agricultural financial set-up he has seen in the world and the best operated rural credit institution in the Philippines. Mr. Gimenez then presented the status of the AGLF funds as of December 31, 1968.

A representative of the Rural Bank of Infanta, Inc. came up with the problem of collecting AGLF loans especially after Typhoon Helming which destroyed standing crops. He said that to collect the loans, he had instituted cases against the bank's borrowers. The Acting Chairman explained that this is not an isolated case and cited similar cases in

Pampanga and Tarlac. However, the refinancing of these loans, which had not been paid due to force majeure, is allowed on a case to case basis, provided further, that payment of which should be made within two crop seasons or one year. A representative of Digos stood up and said that in his particular bank failure was not due to fortuitous event but resulted from inadequate supervision by the farm technicians. At this stage, a representative of the Rural Bank of Oton filed a motion that past due AGLF loans be excluded in the computation of the past due ratio for purposes of rediscounting. A Resource Person explained that past due AGLF loans cannot be excluded from the computation of the past due ratio. If the cause of the rise in past due ratio is due to force majeure, the Monetary Board, in several cases in the past, allowed rural banks to rediscount. Furthermore, since AGLF loans are supervised, their collectibility is more assured over that of ordinary loans and therefore, their exclusion from the computation in the past due ratio can not be allowed. The resolution was nonetheless passed unanimously.

A delegate of the Rural Bank of Oton, Inc. sponsored the removal of the 1% guarantee fee. He said that according to information the Central Bank has already collected some P450,000. He further stated that he knows of no single case wherein the loan of an AGLF borrower has been declared as non-collectible for purposes of availing of the guarantee. The Acting Chairman explained that while the 1% guarantee fee amounted to P450,000, nevertheless, a portion of this fund is allotted for payment to agricultural production technicians of other cooperating agencies. Compared to the benefits which the Rural Banking System derive from this technical assistance, the cost of 1% is indeed very nominal. Furthermore, he continued, that if a major calamity occurs, this 1% premium will be insufficient to cover the loss. A delegate from the Rural Bank of Oton, Inc. moved that the Central Bank suspend the collection of the 1% guarantee fee for AGLF loans that are not paid resulting from force majeure. The resolution was not passed. A question was raised by a representative of the Rural Bank of Estancia, Inc. that there was allegedly a lack of understanding of the motion by the participants. The motion was again put into votation and again it was disapproved.

A delegate from the Rural Bank of Infanta, Inc. suggested that production technicians of other government agencies be placed under the control of the Central Bank. His reason was that the RCPCC production technicians assigned with his bank were transferred without his knowledge, thus depriving the AGLF loan borrowers the necessary assistance.

The delegate from the Rural Bank of Fili, Inc. presented a problem in places declared as land reform areas. He stated that in these places, the set-up changed from share tenancy to leasehold contract. Consequently, landowners lose interest and production goes down. On the other hand, farmers now find difficulty in getting the landowners to act as co-makers

to their loans. He contended that under this situation, technical supervision becomes pivotal and, therefore, the need for private technicians to supervise AGLF loans becomes imperative. Unfortunately, he added, the technicians do not measure up to the minimum needs for the success of the program. He noted that in his particular area, the technician did not even know how to compute the fertilizer need of an area. He therefore thought of organizing a group of young graduates from Los Baños College to attend to the supervision of the program. He had proposed this arrangement to the Central Bank. However, this was not favorably considered in view of the added cost to the farmers. He then moved that borrowers under the AGLF loans be allowed to select their own technicians provided that they are under the supervision of the Central Bank. The delegate from the Rural Bank of San Mateo (Isabela), Inc. volunteered the information that a contract was entered into between Dr. Orlando Jacay and himself for the management of his 200 hectares land wherein the production in excess of 80 cavans per hectare would be divided evenly between them. He admitted that while production was only 30 cavans per hectare prior to this arrangement, under Dr. Jacay's management production went up to 100 cavans per hectare. In view, however, of the damages wrought by the past typhoon, only 50% was salvaged. He believes that after the experience of some two years, the farmers would have acquired sufficient experience to dispense with the services of Dr. Jacay. The motion of the delegate from the Rural Bank of Ili, Inc. after this information nonetheless was passed.

The Vice-Chairman of the workshop participated in the deliberation and gave the information that the Rural Bank of Sta. Ignacia, Inc. was selected to participate in "Operation Spread". This pilot project gave very encouraging results wherein production hit a maximum of 216 cavans per hectare and a minimum of 114 cavans. Under the AGLF program, similar results were experienced. While production in rice increased, the problem of the farmers however in getting the maximum benefits in the disposal of the rice came up. He said that in view of the manner of allocating funds by the ECA, in this particular area, the increase in production did not result in reasonable returns to these farmers. He therefore, proposed that all rural banks participating under the AGLF and CE:IPRD programs be given priority in the allocation of ECA funds to benefit farmer-cooperators. A delegate from the Rural Bank of Bureauan made a remark that rural banks not participating in this program but whose borrowers are producing rice may be discriminated against by this resolution. After some discussions, the motion of the delegate from the Rural Bank of Sta. Ignacia, Inc. was passed.

A delegate from the Rural Bank of Ili, Inc. moved that all AGLF borrowers be required to use certified seeds if available. This was unanimously approved by the body.

Workshop III - Evaluation of the Supervised Credit Program for Short Term Agricultural Lending of Rural Banks Page 4

The Vice-Chairman also presented the problem regarding the inadequacy of transportation facilities for CB technicians. He pointed out that with adequate transportation facilities their effectiveness in supervising AGLF and CB: IBRD loans could be multiplied threefold. The Chairman and the Director of the AIB assured the participants that efforts are being exerted by both the Central Bank and AID to provide these technicians with these facilities.

The delegate of the Los Baños Rural Bank, Inc. proposed that payment of the P1.50 per farmer-cooperator per month to RCPCC production technician be given only after the loan shall have been fully paid. This was approved by the body.

The delegate from the Rural Bank of Digos, Inc. informed the body that some technicians were engaged in the sale of fertilizers. The Co-Chairman told the participants that action had been taken already on this matter.

Mention was also made by a delegate about his observation in Taiwan during the Southeast Asia tour, that financing and technical assistance always go together. However, this is not always true in our country where technical assistance is rendered without the necessary financing and vice-versa. For this purpose, he moved that representations be made with the RCPCC, AIC, SII, the Land Reform Commission and other cooperating agencies so that technicians from these agencies be detailed with the Central Bank under its control and supervision. This resolution was passed unanimously.

The delegate from the Rural Bank of Kalamansig proposed that representations be made with the Auditor General and Postmaster General to allow municipal treasurers to deposit local funds with rural banks especially if there are no FNB and DBP agencies or branches of commercial banks in the locality where the rural bank is located. The body approved the resolution unanimously.

The delegate from the Rural Bank of Gen. Tinio proposed that amendment should be made in the RCA law to allow the private sector to export rice directly. After some deliberations, the body approved this motion.

The delegate from the Rural Bank of Ligos, Inc. moved that the body recommend to the Central Bank and the RCPCC that a more intensive educational campaign on the AGLF program be conducted to enlighten our farmers on their responsibilities regarding the repayment of their loans to ensure the success of the program. This being a non-controversial motion, it was unanimously approved.

The workshop adjourned at 5:00 o'clock p.m.

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City, January 9, 10 & 11, 1969

WORKSHOP III - EVALUATION OF THE SUPERVISED CREDIT
PROGRAM FOR SHORT TERM AGRICULTURAL
LENDING OF RURAL BANKS.

The following resolutions were adopted by
Work Group III:

- Resolution No. 1 - That, past due AGLF loans be excluded in the computation of the past due ratio for purposes of rediscounting.
- Resolution No. 2 - That, borrowers under AGLF loans be allowed to select their own technicians provided, that they are under the supervision of the Central Bank.
- Resolution No. 3 - That, all rural banks participating under the AGLF and CP-IBRD programs be given priority in the allocation of RCL funds to benefit farmer-cooperators.
- Resolution No. 4 - That, all AGLF borrowers be required to use certified seeds if available.
- Resolution No. 5 - That, the P1.50-incentive allowance given to RCPCC technicians be paid only after the loan supervised shall have been fully paid.
- Resolution No. 6 - That, representations be made with the RCPCC, APC, Land Reform Commission, and other cooperating agencies to detail their technicians with the Central Bank so that they will be under its (CB) control and supervision.
- Resolution No. 7 - That, representations be made with the Auditor General and the Postmaster General to allow Municipal Treasurers to deposit local funds with the rural bank especially if there are no PNB agencies or branches of commercial banks in the locality where the rural bank is located.

Resolution No. 8 - That, representations be made to amend the RCA law so as to allow the private sector to export rice directly.

Resolution No. 9 - That, the Central Bank and the RCPCC conduct a more extensive educational campaign regarding the AGLF program to impress upon farmer-cooperators their responsibilities in repaying their loans so as to assure the success of the program.

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(SGD.) PATRICIO Y. PINEDA
Chairman

(SGD., MARIANO E. GIMENEZ
Co-Chairman

(SGD.) CLAUDIO F. HACHERO (SGD.) DOMINGO G. LEGASPI
Resource Person Resource Person

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City - January 9, 10, & 11, 1969

**WORKSHOP IV - Analysis of Special Arrangements of Rural Banks
with Government Trading and Financing Institutions**

OBJECTIVE: To Determine the Effectiveness of Special Arrangements of Rural Banks with Government Trading and Financing Institutions

- | | |
|-------------------------|--|
| Acting Chairman | - Mr. Manuel O. Liwag
Director, Cabanatuan City Rural Bank, Inc. |
| Co-Chairman | - Mr. Eleuterio M. Sadural
Assistant Director
Department of Rural Banks
Central Bank of the Philippines |
| Resource Persons | - Mr. Fernando A. Ortiz
Comptroller, RCA |
| | - Mr. Nemesio G. Cariño
Technical Assistant
Department of Rural Banks
Central Bank of the Philippines |
| | - Mr. Antonio C. Escolar
Chief Legal Officer
Department of Rural Banks
Central Bank of the Philippines |
| | - Mr. Rolando Y. Abesamis
Senior Bank Examiner
Department of Rural Banks
Central Bank of the Philippines |
| | - Mr. Virgilio V. Gaudinez
Senior Bank Examiner
Department of Rural Banks
Central Bank of the Philippines |
| Stenographer | - Absalon D. Reynoso |

The Acting Chairman, Mr. Manuel O. Liwag, opened the Workshop at 1:40 p.m. by giving remarks on the various topics to be discussed.

The first topic discussed was the Proposed Supervised Credit Program for Cottage and Small Industries. It was explained to the Body that the proposed Program was prepared and developed jointly by representatives from the Central Bank, Rural Bankers Association of the Philippines, Institute for Small Scale Industries of the University of the Philippines, National Economic Council and the NACIDA. Its main objective is to provide special financing facilities to small enterprises which find it difficult to seek financial backing for otherwise viable projects due to lack of acceptable loan collaterals which banks and other financial institutions normally require. After elucidating more on the subject by reading the highlights of the proposal, the Body adopted and approved two resolutions requesting the President of the Philippines to expedite the approval of this proposed Program and for NACIDA to make a survey of the provinces of Nueva Ecija, Batangas and Pulacan to determine profitable cottage industries that may be established in the said areas.

WORKSHOP IV - 2

The second subject taken up was the Agricultural Financing and Guarantee Agreement between the Agricultural Development Council of Rizal (ADCOR) and the Rizal Federation of Rural Banks for the granting of financial assistance to farmers of the Province of Rizal.

The Acting Chairman requested the delegates from the Rural Bank of Morong, Inc. and Rural Bank of Taguig, Inc. to make comments relating to the Program. The mechanics and operation of the Program and the problems encountered were discussed. It was mentioned that there are about 800 hectares of land in Rizal Province devoted to rice production. Unfortunately, it is lamentable that there are not enough agricultural technicians to supervise credit granted to farmers participating in the Program. These technicians, it was asserted, should be available to the farmers throughout the whole production year if the Program were to succeed. That this was the primary problem was the consensus of the members of the Group.

A resolution was therefore proposed and approved that the Rural Bankers Association of the Philippines request the various government agencies involved in agricultural production and development to assign additional technicians to the Province of Rizal.

On the question of allocating RCA procurement funds to RCA agent rural banks, the Comptroller of the RCA cited the following as the criteria:

1. Total production in the locality and the number of warehouses being serviced by a rural bank in that particular locality
2. RCPCO list of farmers and the corresponding hectares being cultivated by them and the average yield
3. Availability of driers and if there are none in the locality, pavements which instead may be used in drying palay harvest.

At this point, a delegate raised the question of whether the RCA has still money for the purpose of procuring palay and the answer was in the affirmative. The Comptroller, however, explained that in view of some modifications and changes in the procedure of obtaining funds from the PNB and the latter from the Central Bank as to when the funds will be available depends now on the outcome of the representations being made by the three government agencies, RCA, PNB and the CB.

In the matter of determining inventory of palay deposits now stored in the RCA bonded warehouses purchased out of procurement funds received by rural banks, it was the consensus that a tolerable allowance may be permitted and this is even sanctioned by the RCA itself when it temporarily authorized warehouse operators to incur a shortage of 10% of the total deposits. This is precisely to cover the cost of insurance premium advanced by rice millers which are usually offset by milling returns based on the expected 52% recoveries established by the RCA and the cost of rice bran.

Another delegate from the Bicol region brought out the question of duplicity of functions by allowing the CB to conduct its own inventory of palay deposits in RCA warehouses. To this, the RCA controller pointed out that there is no harm authorizing as many government agencies as permissible. The Co-Chairman stressed further that this is to strengthen the qudan system and build confidence in the same. As a matter of fact, the set up has rendered effective the control over palay deposits and the supervision of agent rural banks and rice millers through coordination between the CB and the RCA. Furthermore, it is felt that there are not enough RCA personnel to cope with the increasing number of warehouses to supervise.

WORKSHOP IV - 3

Another rural banker from Mindanao complained that his main problem is the lack of bonded warehouses in the locality where his rural bank is established and if there are any available warehouses in the nearby municipalities already authorized by the RCA as bonded warehouses, the latter would not buy directly from the farmers.

Along this line, the Co-Chairman reminded the participants that no less than the Chief Executive of the land in his speech before the delegates, mentioned the inaccuracy of reports and statistics. It is not amiss therefore to state that strict supervision and countercheck by different authorized agencies can bring the percentage of accuracy of stocks to what are reportedly covered by quodans.

A rural banker from Bulacan, made an observation that the objective of the RCA to strengthen the quodan system has been undermined by the fact that quodans duly issued to farmers have remained unpaid to which it was explained that, that is the reason why as earlier discussed some changes are being introduced to further improve the system.

The Acting Chairman took up the subject of refunding to the RCA unused procurement funds which was brought to the attention of the delegates in conference as a form of reminder, should be given preferential attention to enable the RCA to better project its program in releasing funds to qualified rural banks especially those that are in the palay region like Nueva Ecija, Bulacan, Pampanga, ~~Marikina~~ and nearby provinces. Aside from this, one of the principal reasons on the part of the RCA is to avoid the possibility of misapplying said funds for other purposes that undoubtedly as explained by the Assistant Director present, is a ground for suspension of the rural bank's RCA operation.

When the Acting Chairman presented the topic Review of Agreement between the RCA and Agent Rural Bank, the unanimous reaction of the participants was the commission earned by the rural bank on disbursed procurement funds. The reason for this was because the 4% commission as usually earned by rural banks was reduced to 3%. On this score, it turned out as explained by the RCA Comptroller that the 3% commission as reduced will apply only to new participating agent rural banks and for those which are renewing their agreement with RCA following the automatic termination of said agreement, after two years from the date the same is notarized. To give more emphasis on this, the Body resolved and approved a resolution for the retention of the 4% commission citing the following reasons:

1. Reduction of the commission from 4% to 3% cannot be the prize for the successful prosecution of the palay program through rural banks.
2. The system has greatly reduced the administration and operational expenses of the RCA particularly on the outlays for salaries of personnel whose services had been dispensed with after the rural banks participated, although hesitantly, in the Program where other financial institutions were indifferent to accept the challenge.

Another rural banker from Bulacan obtained clarification on the reimbursement of insurance premiums advanced by his rice millers subject to reimbursement by the RCA. According to the RCA official present the requirement of advancing insurance premium will only be for the first year of operation of the warehouse and thereafter the RCA as a matter of policy will request the GSIS to undertake insurance coverage of palay deposits since these are now government properties.

WORKSHOP IV - 4

On other matters involving problems of rice millers it was suggested that they be taken up during conferences of millers or warehouse operators with RCA officials.

The liquidation of quedans and the subsequent issuance of clearance by the RCA to warehouse operators being serviced by rural banks was discussed. Reference was made to Item 8-A, Liquidation of Quedans, under Obligation of the Agent Bank in the Agreement. In brief, it was explained that to facilitate the liquidation of quedans, the rural bank should obtain from their millers in exchange of their quedans, some documents as enumerated in Item 8-A.

The Workshop adjourned at 5:10 p.m.

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City - January 9, 10, & 11, 1969

**WORKSHOP IV - ANALYSIS OF SPECIAL ARRANGEMENTS OF RURAL BANKS WITH
GOVERNMENT TRADING AND FINANCING INSTITUTIONS**

The following resolutions were adopted by Workshop IV:

- Resolution No. 1 - RESOLVED**, That the Rural Bankers Association of the Philippines make representations with the President of the Philippines expedite the approval of the Proposed Supervised Credit Program for Cottage and Small Industries to provide for a balanced growth between agriculture and industry to hasten the economic development of the rural areas.
- Resolution No. 2 - RESOLVED**, That the Rural Bankers Association of the Philippines make representations with MACIDA to conduct surveys of potential regions particularly in the provinces of Nueva Ecija, Batangas and Bulacan to determine what cottage industries may profitably be established in the said provinces as pilot project areas of the Supervised Credit Program for Cottage and Small Industries.
- Resolution No. 3 - RESOLVED**, That the Rural Bankers Association of the Philippines request various pertinent government agencies involved in agricultural production and development of the country to assign additional technicians to supervise agricultural operations in the Province of Rizal to make effective the joint program of the Agricultural Development Council of Rizal and the Rizal Federation of Rural Banks.
- Resolution No. 4 - RESOLVED**, That the Rural Bankers Association of the Philippines make representations with the RCA to accord qualified rural banks timely and adequate funds to enable them to participate actively in the Rice Procurement Program of our government.
- Resolution No. 5 - RESOLVED**, That the Rural Bankers Association of the Philippines make representations with the RCA to retain the present four (4%) percent earned by RCA Agent Rural Banks in the procurement of paddy.
- Resolution No. 6 - RESOLVED**, That the participants express their appreciation to Mr. Fernando A. Ortiz, RCA Comptroller, for enlightening the delegates on the existing policies and projection of the Rice Procurement Program.

(SGD.) MANUEL O. LIWAG
Acting Chairman

(SGD.) ELMUTERIO M. SANURAL
Co-Chairman

(SGD.) FERNANDO A. ORTIZ
Resource Person

(SGD.) NENESIO G. CARIÑO
Resource Person

(SGD.) ANTONIO C. ESCOLAR
Resource Person

(SGD.) ROLANDO Y. ABESAMIS
Resource Person

(SGD.) VIRGILIO V. GAUDINEZ
Resource Person

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City - January 9, 10, & 11, 1969

WORKSHOP I - APPRAISAL OF ORDINARY AGRICULTURAL LENDING OF
RURAL BANKS

OBJECTIVE: To improve and expand the ordinary agricultural lending activities of rural banks

<u>Rural Bank</u>	<u>Participant</u>
1. RB of Rizal (Laguna), Inc.	Sergio Gemundo
2. Sugbuanon RB, Inc.	Teodoro Cabatangan, Jr. & R. Arcenas
3. RB of Pototan, Inc.	Licurgo Tirador & R. Miranda
4. Janiury RB, Inc.	Manuel C. Locsin
5. RB of Gingoog, Inc.	Reynaldo S. Fernandez
6. RB of Butuan City, Inc.	B. R. Villanueva
7. RB of Goa, Inc.	S. Feja
8. RB of Calabanga, Inc.	N. Falcon
9. RB of Barotac Nuevo, Inc.	F. Jaramilla, Jr.
10. RB of Maguilian (L.U.), Inc.	Gerardo de Ause
11. RB of Dumalag (Capi), Inc.	M. Barrios
12. RB of Liloan (Cebu), Inc.	Amelia L. Rocha
13. RB of Pananag, Inc.	V. M. Portich Zorda
14. RB of Paeo, Inc.	Antero C. Villarin
15. RB of Leganes (Iloilo), Inc.	A. Celis & H. Jaen
16. RB of Sta. Barbara (Iloilo), Inc.	Dennis M. Panigco
17. RB of Rinconada, Inc.	Leonor C. Cayetano
18. RB of La Castellana, Inc.	Lydia Tison
19. RB of Silay City, Inc.	Nicolas L. Ladesma
20. RB of Iloilo City, Inc.	Meslor Jalandoni
21. RB of Nureia, Inc.	Aquiles V. Arcalon
22. RB of Taytay, Inc.	Elisao Mateo
23. Rodriguez RB, Inc.	Napoleon Velasquez
24. Bauang RB, Inc.	Laura R. Nilo & L. Torres
25. RB of Carlota, Inc.	Patrocinio Jose
26. RB of San Mateo (Isa.), Inc.	Bienvenido Y. Potines
27. RB of Bongabon, Inc.	E. Gotungco & R. Ramos
28. RB of Bantayan, Inc.	Jose V. Arcenas & E. Arcenas
29. RB of San Leonardo, Inc.	Amado R. de Jesus
30. RB of Lupao, Inc.	Antonio Paquit, Jr.
31. RB of Litch, Inc.	L. Castro
32. RB of Masbate, Inc.	Francisco Saen, Jr.
33. RB of Malaniqui, Inc.	Arsenio M. Acuña & J. Acuña
34. RB of Sta. Rosa (N.E.), Inc.	A. Sta. Romana & V. Sta. Romana
35. RB of Manapla (Neg. Occ.), Inc.	A. R. Arceo
36. RB of Cadiz, Inc.	Menita V. Azuelo
37. RB of Bacolod City, Inc.	Helito Salazar & C. Maldonado
38. RB of Ibaigay, Inc.	E. Masongson
39. RB of San Jose (Antique), Inc.	E. Tayco
40. RB of Quezon (N.E.), Inc.	Mario Cabrera
41. RB of Pagadian, Inc.	Soledad Cabrera
42. RB of Naugan, Inc.	L. Luciano & M. Luciano
43. RB of San Rafael, Inc.	G. Velazco
44. Cbando RB, Inc.	Remedios R. Martinez
45. RB of Dipolog, Inc.	Antorio Mendezora & A. Saguir
46. RB of Gubat, Inc.	Augusto Sastreño
47. RB of Toledo, Inc.	A. Gonzaga
48. RB of Pura, Inc.	Jose E. Perceña
49. RB of La Paz, Inc. (Tarlac)	F. dela Merced
50. RB of Gerona, Inc.	Amado N. Tufedo

con't.

51. RB of Paniqui, Inc.
52. RB of Minalin, Inc.
53. RB of Tarlac, Inc.
54. RB of Talisay (Cebu), Inc.
55. RB of Bayawan, Inc.
56. RB of Fajre, Inc.
57. RB of Dinalupihan, Inc.
58. RB of Alitagtag, Inc.
59. RB of Bolbok, Inc.
60. RB of San Mateo (Isa.), Inc.
61. RB of Mauban, Inc.
62. RB of Pulupandan, Inc.
63. RB of Panabo, Inc.
64. RB of Tagum, Inc.
65. RB of Dumalag (Capiz), Inc.
66. RB of Eastmarinas, Inc.
67. RB of Infanta, Inc.
68. RB of Ozamis City, Inc.
69. RB of Mendez, Inc.
70. Pres. Roxas RB, Inc.
71. RB of Dumarao, Inc.
72. RB of Dao (Capiz), Inc.
73. RB of Mambusao, Inc.
74. RB of Digos, Inc.
75. RB of Pitogo, Inc.
76. RB of San Luis (Bats.), Inc.
77. Tabaco RB, Inc.
78. RB of Agoncillo, Inc.
79. RB of San Nicolas (Bats.), Inc.
80. RB of Apalit, Inc.
81. RB of Masantol, Inc.
82. RB of Calbayog City, Inc.
83. RB of Ormoc City, Inc.
84. Bauan RB, Inc.
85. RB of Bacolor, Inc.
86. Cagayan de Oro RB, Inc.
87. RB of Sta. Cruz (Lag.), Inc.
88. Los Baños, Inc.
89. RB of Burauen, Inc.
90. RB of Estancia, Inc.
91. RB of Pasacao, Inc.
92. RB of Nueva Caceres, Inc.
93. RB of Baler, Inc.
94. San Jose RB, Inc.
95. RB of Nanticao, Inc.
96. RB of Tanguib, Inc.
97. RB of Gumaog, Inc.
98. RB of Bacnotan, Inc.
99. RB of Unisan, Inc.
100. RB of Batangas, Inc.
101. Tual RB, Inc.
102. RB of Lemery, Inc.
103. RB of Floridablanca, Inc.
104. RB of San Jose (Bats.), Inc.
105. RB of Escalante, Inc.
106. RB of Hinigaran, Inc.
107. RB of Surigao, Inc.
108. RB of Kalamansig, Inc.
109. RB of New Washington, Inc.

Bernardo T. Lugay
 M. Ocampo
 Jose Tabamo
 L. & A. Villo & P. Villo
 Pedro Medina
 Regino Veridiano
 Crisostomo Reyes
 Pepito Macalintal
 Santiago Borillo
 R. Petines & B. Petines
 P. F. Eleazar
 A. Esteban & G. Esteban
 J. Buenaventura & L. Buenaventura
 Ceferino D. Dabi
 Salvador Castro
 Mariano Cantimouhan
 Artemio de Castro
 Felix S. Rumes
 E. Sarmiento
 R. Ganzon
 C. Benjamin
 Geraldine Escutin
 Zenaida Martinez
 R. T. Caños
 M. Capino
 V. Aquino
 H. Donnevie
 M. Manalo & C. Bustamante
 L. M. Tenorio
 T. Nunga
 L. Nunga
 Jose P. Tancinco
 Narciso C. Alfaro
 Roman C. Noble
 P. de Leon
 Mamerto Binco
 F. Eusebio
 F. O. Santos
 Florentino Kapili
 P. Babol
 M. Triviño
 C. Ravanera
 E. Sanverdez
 E. Suratos
 Jose M. Yañez
 Jose D. Tan
 Florentino C. Lavidez
 Victoria Flores
 Rodolfo Cataquiz
 Lamberto Reyes
 Emiliano N. Tamayo
 Conchita A. Lualhati
 Francisco R. Reyes
 Dr. & Mrs. Francisco Ilagan
 Carolina Lopez
 Fe Agustin & Violeta Sindico
 Ma. Consuelo del Castillo
 Modesto Buenafior, Jr.
 Pepito Magalit

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City - January 9, 10 & 11, 1969

WORKSHOP II - REVIEW OF THE FARM MECHANIZATION PROGRAM

Objective: To determine the effectiveness of the
farm mechanization program and its
expansion

<u>Name of Rural Bank</u>	<u>Name of Participant</u>
1. Rural Bank of Agoncillo, Inc.	M. Bustamante
2. Rural Bank of Alfonso, Inc.	A. Poblote
3. Rural Bank of Alitagtag, Inc.	P. Macalintal
4. Rural Bank of Arayat, Inc.	C. Benzon
5. Rural Bank of Aritao, Inc.	I. Sayo
6. Rural Bank of Bacolor, Inc.	P. de Leon
7. Rural Bank of Bagabag, Inc.	V. Castillo
8. Rural Bank of Balayan, Inc.	A. Pedraza
9. Rural Bank of Baler, Inc.	M. Suaverdez
10. Rural Bank of Bani, Inc.	E. de Guzman
11. Rural Bank of Bantayan, Inc.	J. Arcenas
12. Rural Bank of Batangas, Inc.	C. Reyes
13. Rural Bank of Bay, Inc.	E. Roque
14. Rural Bank of Bayawan, Inc.	W. Maypa
15. Rural Bank of Baybay, Inc.	R. Torres
16. Rural Bank of Bayombong, Inc.	R. Ramos, Sr.
17. Rural Bank of Binalley, Inc.	J. Platon
18. Rural Bank of Bolbok, Inc.	F. Macatangay
19. Rural Bank of Bongabon, Inc.	E. Gotangco
20. Rural Bank of Bulan, Inc.	R. Roque
21. Rural Bank of Burgos, Inc.	N. de Castro
22. Cabanatuan City Rural Bank, Inc.	M. Liwag
23. Rural Bank of Cabatuan, Inc. (Iloilo)	L. Miravite
24. Rural Bank of Calanta, Inc.	W. Ignacio
25. Rural Bank of Calabanga, Inc.	J. Padua
26. Rural Bank of Calocan, Inc.	J. Desiderio
27. Rural Bank of Camiling, Inc.	S. David, Jr.
28. Rural Bank of Cavite City, Inc.	R. Alegre
29. Rural Bank of Concepcion, Inc.	P. Pineda
30. Rural Bank of Cuyapo, Inc.	E. Garcia
31. Rural Bank of Dao, Inc.	L. Escutin
32. Rural Bank of Digos, Inc.	R. Caños
33. Rural Bank of Dinalupihan, Inc.	A. Bautista
34. Rural Bank of Dipolog, Inc.	A. Mendezona
35. Rural Bank of Dumalag, Inc.	M. Barrios
36. Rural Bank of Dumarao, Inc.	S. Salcedo
37. Rural Bank of Escalante, Inc.	C. Lopez
38. Rural Bank of Estancia, Inc.	P. Eabol
39. Rural Bank of Fajre, Inc.	L. Veridiano
40. Rural Bank of Gen. Tinio, Inc.	L. Pajarillaga
41. Rural Bank of Gerona, Inc.	L. Tengco
42. Rural Bank of Gingoog, Inc.	R. Fernandez
43. Rural Bank of Goa, Inc.	J. Groyon
44. Rural Bank of Gubat, Inc.	A. Sesbreño
45. Rural Bank of Gumaca, Inc.	F. Lavidez
46. Rural Bank of Hinigaran, Inc.	F. Agustin
	V. Sendico
47. Iligan City Rural Bank, Inc.	E. Roque, Jr.
48. Rural Bank of Iloilo City, Inc.	N. Jalandoni

Workshop II - 2

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| 49. Rural Bank of Indang, Inc. | E. Baes |
| 50. Rural Bank of Infanta, Inc. | F. de Castro |
| 51. Rural Bank of Janiway, Inc. | J. Loosin |
| 52. Rural Bank of Kabankalan, Inc. | J. Abello |
| 53. Kalibo Rural Bank, Inc. | V. Garcia |
| 54. Rural Bank of Kuluysagan, Inc. | A. Baon |
| 55. Rural Bank of Kapatagan Valley, Inc. | L. Lim |
| 56. Rural Bank of Kawit, Inc. | R. Diaz |
| 57. Rural Bank of Kolambagan, Inc. | M. Pangilinan |
| 58. Rural Bank of Koronadal, Inc. | R. Lodesma |
| 59. Rural Bank of Laong, Inc. | Z. Aguinaldo |
| 60. Rural Bank of Lapa-Lapu City, Inc. | T. Marfori |
| 61. Rural Bank of Leganes, Inc. | A. Colis |
| 62. Rural Bank of Lemery, Inc. | C. Lualhati |
| 63. Rural Bank of Licab, Inc. | L. Castro |
| 64. Rural Bank of Liloan, Inc. | J. Roska |
| 65. Los Baños Rural Bank, Inc. | A. Caranto, Jr. |
| 66. Rural Bank of Lupio, Inc. | T. Berja |
| 67. Rural Bank of Mabini, Inc. | F. Lota |
| 68. Rural Bank of Malabon, Inc. | I. Santos |
| 69. Rural Bank of Malasiqui, Inc. | J. Acuña |
| 70. Rural Bank of Marbacac, Inc. | J. Martinez |
| 71. Mandaluyong Rural Bank, Inc. | J. Liamzon |
| 72. Rural Bank of Mangatarem, Inc. | R. de Guzman |
| 73. Rural Bank of Maragondon, Inc. | C. Narvaaz |
| 74. Marikina Valley Rural Bank, Inc. | M. Liamzon |
| 75. Rural Bank of Marilao, Inc. | R. Cruz |
| 76. Rural Bank of Masantol, Inc. | R. Nunga |
| 77. Masbate Rural Bank, Inc. | F. Saez, Jr. |
| 78. Rural Bank of Mexico, Inc. | M. Vergara |
| 79. Rural Bank of Meycauayan, Inc. | P. Agustin, Jr. |
| 80. Rural Bank of Minalin, Inc. | C. Ocampo |
| 81. Rural Bank of Minglanilla, Inc. | J. Baltazar |
| 82. Rural Bank of M'lang, Inc. | E. Roldan |
| 83. Rural Bank of Molave, Inc. | P. Galanto |
| 84. Rural Bank of Morong, Inc. | F. Soriano |
| 85. Rural Bank of Murcia, Inc. | M. Villazor |
| 86. Rural Bank of Naujan, Inc. | A. Luciano |
| 87. Rural Bank of Norzagaray, Inc. | G. Porros |
| 88. Rural Bank of Nueva Caceres, Inc. | E. Ravanera |
| 89. Rural Bank of Obando, Inc. | E. Martinez |
| 90. Rural Bank of Odiangan, Inc. | L. Dizon |
| 91. Ormoc City Rural Bank, Inc. | A. Platon |
| 92. Rural Bank of Oroquieta, Inc. | N. Alfaro |
| 93. Rural Bank of Otan, Inc. | F. German |
| 94. Rural Bank of Paoay, Inc. | R. Soriano |
| 95. Rural Bank of Pagadian, Inc. | A. Villarin |
| 96. Rural Bank of Paniqui, Inc. | J. Cabreza |
| 97. Rural Bank of Pitogo, Inc. | J. Laccamana |
| 98. Rural Bank of Plaridel, Inc. | A. delos Reyes |
| 99. Rural Bank of Pototan, Inc. | R. Santos |
| 100. Rural Bank of Pozorrubio, Inc. | L. Tirador |
| 101. Rural Bank of Pullian, Inc. | V. Araos |
| 102. Rural Bank of Pulupandan, Inc. | L. Santos |
| 103. Rural Bank of Pura, Inc. | G. Esteban |
| 104. Rural Bank of Rinecnada, Inc. | J. Abeller |
| 105. Rural Bank of Rodriguez, Inc. | L. Cayetano |
| 106. Rural Bank of Roxas City, Inc. | M. Velasquez |
| 107. Rural Bank of San Antonio (R.E.) Inc. | G. Martelino |
| 108. Rural Bank of San Jose (Antique) Inc. | A. Odulla, Jr. |
| 109. Rural Bank of San Jose (Batangas) Inc. | J. Sanchez |
| | P. Ilagan |

Workshop II - 3

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|---|----------------------|
| 110. Rural Bank of San Leonar, Inc. | A. de Jesus |
| 111. Rural Bank of San Mateo, Inc. | R. Licmzon |
| 112. Rural Bank of Sta. Barbara, Inc. | J. Aclaro |
| 113. Rural Bank of Sta. Cruz (L), Inc. | F. Eusebio |
| 114. Rural Bank of Sta. Maria (B), Inc. | P. Halili |
| 115. Rural Bank of Sta. Maria (L), Inc. | A. Malvar |
| 116. Rural Bank of Sta. Rosa (L), Inc. | A. de Jesus |
| 117. Rural Bank of Sta. Rosa (N.E.), Inc. | V. Sta. Romana |
| 118. Rural Bank of Sta. Tomas (P), Inc. | J. Gomez |
| 119. Rural Bank of Salinas Ing. | C. Guerrero |
| 120. Rural Bank of Silang, Inc. | E. Poblete |
| 121. Rural Bank of Solana, Inc. | E. Bautista |
| 122. Rural Bank of Sugbunon, Inc. | R. Arcenas |
| 123. Rural Bank of Surigao, Inc. | R. del Castillo. Jr. |
| 124. Rural Bank of Taal, Inc. | N. Mayuga |
| 125. Rural Bank of Tagaytay, Inc. | H. Velasco |
| 126. Rural Bank of Tarbilaran, Inc. | A. Conceon |
| 127. Rural Bank of Tagig, Inc. | B. Elias |
| 128. Rural Bank of Talavera, Inc. | A. Fausto |
| 129. Rural Bank of Talisay (Cebu), Inc. | L. Villo |
| 130. Rural Bank of Tarlac, Inc. | A. Tabamo |
| 131. Rural Bank of Tigzon, Inc. | C. Francisec |
| 132. Rural Bank of Toledo City, Inc. | T. Bohelrt |
| 133. Rural Bank of Unisan, Inc. | R. Cataquis |
| 134. Rural Bank of Victorias, Inc. | J. Coraing |
| 135. Rural Bank of Zamboanga, Inc. | A. Bonifacio |
| 136. Rural Bank of Zenden, Inc. | B. Crox |
| 137. Rural Bank of Pila, Inc. | F. Geirosa |
| 138. Rural Bank of Hinigaran, Inc. | V. Serlico |
| 139. Rural Bank of Rosales, Inc. | B. Estrella |
| 140. Rural Bank of New Washington, Inc. | P. Magalit |

SIXTH AGRICULTURAL CREDIT CONFERENCE

January 9-11, 1969

Cebu City

WORKSHOP III - EVALUATION OF THE SUPERVISED CREDIT PROGRAM FOR SHORT TERM AGRICULTURAL LENDING OF RURAL BANKS

OBJECTIVE: To determine the Effectiveness of
the Supervised Credit Program

<u>NAME OF RURAL BANK</u>	<u>PARTICIPANT</u>
1. Rural Bank of Minglanilla, Inc.	Dr. Jesus Enad
2. Rural Bank of Batangas, Inc.	Lamberto Reyes
3. Rural Bank of Taal, Inc.	Emiliano N. Tamayo
4. Rural Bank of Agoncillo, Inc.	Leticia M. Bustamante
5. " " " "	M. M. Manalo
6. Rural Bank of San Nicolas, Inc.	L.M. Tenerio
7. Rural Bank of Panabo, Inc.	L. Buenaventura, Jr.
8. " " " "	Julietta V. Buenaventura
9. Rural Bank of Molave, Inc.	Braulio Villasis
10. Rural Bank of Concepcion, Inc.	A.B. Islad
11. Rural Bank of Zaragoza, Inc.	A. V. Bonifacio
12. Rural Bank of Gog, Inc.	Florencio Irieto, Jr.
13. Rural Bank of Kalesiqui, Inc.	A. Acuña
14. Rural Bank of Iaguanjan, Inc.	Soledad Cabreza
15. Rural Bank of San Mateo, Inc.	Mr. & Mrs. R. Petines
16. Rural Bank of San Luis, Inc.	Vivencio C. Aquino
17. Rural Bank of Bolbok, Inc.	Santiago A. Borillo
18. Rural Bank of Bumbay, Inc.	Salvador P. Castro
19. Rural Bank of Ormoc City, Inc.	Narciso C. Alfaro
20. Sugboanon Rural Bank, Inc.	Ramon A. Arenas
21. Rural Bank of Lemery, Inc.	Ricardo E. Mayuga
22. Rural Bank of Manaba, Inc.	Francisco C. Saen, Jr.
23. Rural Bank of Maricao, Inc.	Aquiles V. Ascalon
24. Rural Bank of Cadiz, Inc.	Nenita V. Aguilo
25. Rural Bank of Baler, Inc.	E. C. Sanverdez
26. Rural Bank of Maricao, Inc.	Milagros A. Villasor
27. Rural Bank of Agoncillo, Inc.	Margarita M. Manalo
28. Rural Bank of Paete, Inc.	A. Villanil
29. Rural Bank of Butuan City, Inc.	Bernardo R. Villanueva
30. Rural Bank of Gingoog, Inc.	Reynaldo Z. Fernandez
31. Rural Bank of Dinakopinan, Inc.	Crisostomo Seyer
32. Rural Bank of Sta. Rosa, Inc.	Ramon Melencio
33. Rural Bank of Balayan, Inc.	Alberto K. Pedraza
34. Rural Bank of Calabanga, Inc.	Salvacion P. Pejo
35. Rural Bank of Taytay, Inc.	Eliseo Metec
36. Rural Bank of Ibaigay, Inc.	E. Masangcay
37. Rural Bank of Estancia, Inc.	P. Babol
38. Rural Bank of Marilao, Inc.	Victor S. Cruz
39. Rural Bank of Tagum, Inc.	C. Lahi
40. Rural Bank of Bayawan, Inc.	Fedre Medina
41. Rural Bank of Manapla, Inc.	Armando R. Arecco
42. " " " "	M. S. Hinojales
43. Rural Bank of Sta. Barbara, Inc.	Dennis M. Tamingco
44. Rural Bank of Gen. Tinio, Inc.	Leonardo Pajarillaga
45. Rural Bank of Leganes, Inc.	Angelo Celis
46. " " " "	M. Saen
47. Rural Bank of Pres. Roxas, Inc.	R. Ganzon
48. Rural Bank of Bacolor, Inc.	Federico B. de Jesus
49. " " " "	Pedro P. de Leon
50. Rural Bank of Balayan, Inc.	Melecio Pedraza

<u>NAME OF RURAL BANK</u>	<u>PARTICIPANT</u>
51. Rural Bank of Pulupandan, Inc.	Gloria A. Estecan
52. " " " "	Antonio Esteban
53. Cagayan de Oro Rural Bank, Inc.	Illegible
54. Sugbuanon Rural Bank, Inc.	Rosita R. A. Acenas
55. Rural Bank of Sto. Tomas, Inc.	J. H. Gomez
56. Rural Bank of Naujan, Inc.	Antonio Luciano
57. " " " "	Dr. Lucia F. Luciano
58. Rural Bank of Garcia Nuevo, Inc.	Federico Garantilla, Jr.
59. Rural Bank of Ila, Inc.	S. Macanga, Jr.
60. Rural Bank of La Castellana, Inc.	Lidia L. Wilson
61. Katipunan Rural Bank, Inc.	S. Katigbak
62. Rural Bank of Escalante, Inc.	C. I. Lopez
63. Rural Bank of Iligan City, Inc.	E. C. Lopez, Jr.
64. Rural Bank of Kolumagan, Inc.	M. V. Anguiban
65. Rural Bank of Escalante, Inc.	L. Gonzaga
66. Rural Bank of Mambuco, Inc.	A. Martinez
67. Rural Bank of Burauen, Inc.	Frederico Navili
68. Rural Bank of Los Baños, Inc.	F. O. Santos

OBSERVERS

1. Vicente U. Quintana	- Agricultural Credit and Cooperatives Institute
2. A. R. de Jesus	- ESPAC
3. Phillip W. Berglund	- USAID/Macilla
4. Wenceslao A. Calalang	- Central Bank
5. R. Estrella	- AMDA - SEM Commercial
6. G. C. Fala	- ESPAC Makati
7. R. J. del Carmen	- ESPAC Cebu
8. Florentino P. Bolanay	- Radiowealth

SIXTH AGRICULTURAL CREDIT CONFERENCE
Cebu City -- January 9, 10, & 11, 1969

WORKSHOP IV - ANALYSIS OF SPECIAL ARRANGEMENTS OF RURAL BANKS WITH
GOVERNMENT TRADING AND FINANCING INSTITUTIONS

OBJECTIVE: To Determine the Effectiveness of Special Arrangements
of Rural Banks with Government Trading and Financing
Institutions

<u>NAME OF RURAL BANK</u>	<u>PARTICIPANTS</u>
1. Rural Bank of Salinas, Inc.	C. G. Guerrero
2. Cabiao Rural Bank, Inc.	G. R. Ortiz
3. Rural Bank of Sta. Rosa (N.E.) Inc.	A. C. Sta. Romana
4. Rural Bank of Tual, Inc.	N. Mayuga
5. Rural Bank of Lemery, Inc.	E. C. Lualhati
6. Rural Bank of Mabini, Inc. (Bul.)	F. M. Lota
7. Rural Bank of Pagsanjan, Inc.	J. Cabrera
8. Rural Bank of General Pineda, Inc.	L. Pajarillaga
9. Rural Bank of Estancia (Iloilo), Inc.	C. B. Babol
10. Rural Bank of La Castellana, Inc.	M. Pajarillaga
11. Rural Bank of Sual, Inc.	E. S. Salverez
12. Rural Bank of Jacon, Inc.	J. O. Lusto
13. Rural Bank of Tabaco, Inc.	A. V. Sarmiento
14. Rural Bank of Mauban, Inc.	F. F. Diacera
15. Obando Rural Bank, Inc.	R. R. Martinez
16. Sual Rural Bank, Inc.	R. C. Noble
17. Malave Rural Bank, Inc.	P. Galante
18. Rural Bank of Karamadai, Inc.	R. D. Ledesma
19. Rural Bank of Davao, Inc.	M. F. Herrera
20. Rural Bank of Rosales, Inc.	B. Estrella
21. Rural Bank of Baguio (N. Y.), Inc.	V. C. Castillo
22. Rural Bank of Orma City, Inc.	A. V. A. Tan
23. Rural Bank of Balboa, Inc.	F. D. Macatangay
24. Rural Bank of Baguio, Inc.	H. Maypa
25. Rural Bank of Quezon (P.E.), Inc.	E. G. Cabrera
26. Rural Bank of Marikina Valley, Inc.	L. A. Lim
27. Rural Bank of Olaneta, Inc.	P. A. Gorman
28. Rural Bank of Marikina, Inc.	R. R. Cruz
29. Rural Bank of Marikina, Inc.	E. Santos
30. Rural Bank of Marikina, Inc.	G. E. Porres
31. Rural Bank of Sta. Rosa (Pamp.), Inc.	J. H. Gomez
32. Rural Bank of Dagupan, Inc.	A. Saguis
33. Rural Bank of Guayan de Oro City, Inc.	M. Binco
34. Rural Bank of Iba, Inc.	H. Luciano
35. Rural Bank of Tinalandia, Inc.	P. J. Larranco
36. Rural Bank of Pili, Inc.	A. J. de los Reyes
37. Rural Bank of Pili (Cot.), Inc.	E. Roldan
38. Rural Bank of Baguio, Inc.	A. Concha
39. La Union Rural Bank, Inc.	A. J. Caranto, Jr.
40. Rural Bank of Cabatuan (Ist.), Inc.	S. C. Macugay
41. The J. Bank of Cabatuan (Ist.) Inc.	G. G. Macugay
42. Rural Bank of Calabanga, Inc.	N. Pilon
43. Rural Bank of Marikina, Inc.	M. T. Calimbulan
44. Rural Bank of Sta. Rosa (N.E.), Inc.	O. Sta. Romana
45. Baguio Rural Bank, Inc.	E. Arcebas
46. Rural Bank of Ceres City, Inc.	J. C. Alfaro, Jr.
47. Rural Bank of Calabanga, Inc.	S. Poje
48. Rural Bank of General Pineda, Inc.	S. A. Ibarra
49. Rural Bank of Mexico, Inc.	M. Vergara
50. Rural Bank of Marikina, Inc.	C. Ocampo
51. Rural Bank of Pili, Inc.	S. Macangay
52. Rural Bank of Marikina, Inc.	M. S. Hinojales
53. Rural Bank of Arayat, Inc.	C. Benson
<u>OBSERVER</u>	